

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE WORLD TRADE CENTER DISASTER SITE LITIGATION	:	x
	:	21 MC 100 (AKH)
	:	
IN RE WORLD TRADE CENTER LOWER MANHATTAN DISASTER SITE LITIGATION	:	
	:	21 MC 102 (AKH)
	:	
IN RE COMBINED WORLD TRADE CENTER AND LOWER MANHATTAN DISASTER SITE LITIGATION	:	
	:	21 MC 103 (AKH)
	:	
	x	

**AFFIDAVIT OF CHRISTINE LASALA IN SUPPORT OF
MOTION FOR STAY PENDING APPEAL**

STATE OF NEW YORK)
) s.s.
COUNTY OF NEW YORK)

Christine LaSala, being duly sworn, deposes and says:

1. I am over the age of eighteen (18) and am competent to make the statements contained herein.
2. I am President and CEO of the WTC Captive Insurance Company, Inc. ("WTC Captive"), which maintains offices at 100 William Street, Suite 2001, New York, New York 10038. I submit this affidavit in support of the Motion for Stay Pending Appeal filed by the City and the Contractors ("Defendants").
3. The WTC Captive was created pursuant to federal and New York State legislation to provide third-party liability insurance coverage to the Defendants for "claims arising from

debris removal, which may include claims made by city employees.” Pub. L. No. 108-7, 117 Stat. 11, 517 (2003). The sole premium received by WTC Captive was a grant of approximately \$1 billion received from the Federal Emergency Management Agency in December 2004.

4. Since December 2004, the WTC Captive has defended and indemnified the Defendants pursuant to the terms of its policy against over 10,000 actions in this Court alleging injuries arising from the rescue, recovery, debris removal, and clean-up operations at the World Trade Center Site and related locations following the terrorist attack of September 11, 2001.

5. In June 2010 the WTC Captive executed the World Trade Center Litigation Settlement Process Agreement, As Amended (“Amended SPA”), wherein the WTC Captive agreed to pay on behalf of Defendants a minimum of \$625 million to settle the claims of all eligible plaintiffs who chose to opt into the settlement. The WTC Captive does not dispute coverage for any aspect of the settlement, including the First Contingent Payment that may be due pursuant to the Court’s July 13, 2012 order (“Contingent Payment Order”).

6. Based upon my investigation, the cost to purchase a supersedeas bond to secure the approximately \$5 million that could be owed under the Contingent Payment Order would range from 1% to 2% of the bonded amount per annum. This cost could vary depending upon other terms and conditions, such as the amount of collateral required, and could be reduced only if significant collateral were posted. Consequently, the estimated cost of a \$5 million bond likely would range from \$50,000 to \$100,000 per annum.

7. In light of this significant cost, on July 24, 2012, I directed that the WTC Captive deposit \$5 million plus \$2,787.67 in interest into an interest-bearing account at its financial institution, the Bank of New York Mellon (“Security Account”). This deposit is in lieu of purchasing a supersedeas bond. The WTC Captive will not withdraw the \$5,002,787.67 or any

interest earned thereon from the Security Account until Defendants' appeal of the Contingent Payment Order is resolved and the stay is lifted.

8. As reported in its most recent quarterly report, as of June 30, 2012, the WTC Captive held unrestricted cash and investments (not including sums placed into a separate account in September 2011 as security pending the appeal of certain other orders of the Court) of \$340.3 million.

I state under penalty of perjury that the foregoing is true and correct.

Executed on July , 2012
New York, New York


Christine LaSala

Sworn to before me this 24th day of July, 2012.



David R. Biester, Notary Public, State of New York, qualified in New York County, No. 02BI6241345. My commission expires May 16, 2015.

DAVID BIESTER
NOTARY PUBLIC-STATE OF NEW YORK
No. 02BI6241345
Qualified in New York County
My Commission Expires May 16, 2015

